

February 17, 2010

Dorothy Rice **Executive Director** State Water Resources Control Board 1001 | Street, 25th Floor Sacramento, CA 95814

Dear Director Rice,

We hope that the State Water Resources Control Board (State Water Board) has had the opportunity to review the Draft Klamath Hydroelectric Settlement Agreement (KHSA) and Draft Klamath Basin Restoration Agreement (KBRA), publicly released on January 8, 2010. These agreements set forth a holistic framework for addressing environmental and economic issues in the Klamath Basin, both in California and in Oregon, in a manner that addresses stakeholders' core needs.

As the entity charged with regulating water rights and implementing the federal Clean Water Act for the State, the Legislature has granted the State Water Board independent regulatory authority. The Agreements are not intended to bind the State Water Board or pre-determine the outcome of any State Water Board decision.

Nevertheless, the activities that come before the State Water Board in the Klamath Basin will be affected by implementation of these agreements. The first of these new questions that will arise will be a request within 30 days of execution of the KHSA that the State Water Board stay its actions on PacifiCorp's pending water quality certification. (See KHSA, § 6.5.) Resources Agency appreciates the consideration the State Water Board has previously granted to such requests to allow the negotiation and finalization of the KHSA, and hopes that similar consideration will again be granted. The Natural Resources Agency wanted to be sure you were advised that this request would be forthcoming, and requests that the State Water Board act promptly on this request.

Sincerely,

Kirk E. Miller

Deputy Secretary and General Counsel

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